Exhibit 7

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HEADLINE: Ashland agrees to corporate governance changes to settle shareholder lawsuit

BYLINE: By BRUCE SCHREINER, Associated Press Writer

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BODY:

Ashland Inc. on Thursday agreed to changes in its corporate governance to settle a shareholder lawsuit stemming from allegations of accounting improprieties during the tenure of a former Ashland top executive.

The Covington-based company agreed to add a shareholder-nominated director to its board and require that two-thirds of its directors be chosen from outside the company. Another provision would put restrictions on stock options for company executives and directors.

The suit, filed in 2002 by the Central Laborers' Pension Fund, claimed that alleged accounting irregularities during the tenure of former Ashland President Paul Chellgren had eroded the company's stock value. Chellgren accepted early retirement in 2002 after becoming involved in an office romance, in violation of company policy.

The suit had named Chellgren and other current and former directors and senior officers of Ashland, a transportation construction, chemical and petroleum company.

The settlement agreement came on the day of Ashland's annual shareholders meeting in Covington. The agreement is subject to approval by the Kenton County Circuit Court.

Darren Robbins, lead attorney for the plaintiffs, hailed the agreement as "an important milestone" for Ashland and its shareholders. "These changes will significantly increase shareholder input into how this company is governed," he said.

Robbins said the agreement concluded months of negotiations that continued until recent days. "We were ultimately able to craft a resolution that they (plaintiffs) feel will remedy many of the problems they had, as well as position the company for future good governance and responsible oversight," he said in a phone interview.

Edward M. Smith, chairman of the pension fund that filed suit, said the changes would put Ashland "at the forefront of corporate governance in America."

David L. Hausrath, Ashland's senior vice president, general counsel and secretary, said the agreement reinforced the company's commitment to enhance the value of its shareholders' stock.

"While we vigorously dispute the allegations in the lawsuit, we are pleased to have reached a tentative settlement that is both beneficial to Ashland's shareholders and avoids protracted court action and any resulting distractions to our businesses," he said.

One part of the agreement requires that two-thirds of Ashland's board of directors be composed of members who are independent of the company. Ashland spokesman Jim Vitak said that provision merely formalizes a practice that company has had in place since 1987.

The company also agreed to add a shareholder-nominated director to its board. A pool of candidates would be

nominated by investors holding at least 1 percent of Ashland's overall stock, and board members would ultimately chose the director.

Robbins said the shareholders would recommend "very capable and accomplished directors."

Another provision would require shareholder acceptance of stock option plans for Ashland's officers or directors. The agreement also requires that company executives and directors hold on to a portion of their Ashland shares obtained through stock options for at least a year before being allowed to sell the shares.

Ashland's operations include road construction, specialty chemicals, lubricants, car-care products, chemical and plastics distribution and transportation fuels. Brands include Valvoline motor oils, Eagle One appearance products, Zerex antifreeze and Pyroil performance products.

In trading Thursday, Ashland shares were up $1.40, or nearly 2.4 percent, to close at $60.66 on the New York Stock Exchange.

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On the Net:

http://www.ashland.com

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